SCOPING NOTICE

for

Stone & Wolf, LLC THE ATLANTIC RIM COALBED METHANE PROJECT

Bureau of Land Management Rawlins Field Office

DESCRIPTION OF PROJECT

Stone & Wolf, LLC, of Sheridan, Wyoming, has notified the Bureau of Land Management (BLM), Rawlins Field Office, that the company proposes to explore and potentially develop three coalbed methane (CBM) areas (henceforth referred to as pods) located within the administrative boundary of the BLM's Rawlins Field Office. The pods, known as the Dry Creek or northern pod, the Deep Creek (middle) pod, and the Cottonwood Creek (southern) pod are generally located in Townships 13 through 16 North, and Ranges 90 and 91 West, Carbon County, Wyoming, as shown on Map 1. The total project area encompasses approximately 8,000 acres; of which 7,920 acres are federal surface and 80 acres are private surface.

The initial exploratory pod program consists of drilling, completing, and producing approximately 32 wells in each pod for evaluation. The three pods contain approximately 96 wells, with a spacing density of 8 wells per section. Initial drilling operations are proposed to begin in July 2000.

The primary objective for each pod as described by Stone & Wolf will be to drill, complete, and produce the wells to determine:

- · Which coals are gas productive,
- · Economical drilling and completion techniques,
- If de-watering of the coal(s) can be achieved, and
- What depths or pressure windows may be preferred to target economic gas production.

Stone & Wolf anticipates that the pods proposed should be sufficient to evaluate the economic feasibility of producing coalbed methane from the Almond Coal seams in the overall project area. If the exploratory project is deemed successful, any development plans beyond the scope of the Atlantic Rim Environmental Assessment (EA) will require additional environmental analysis.

Approximately four days would be required to drill, log, and case each well utilizing a truck or trailer-mounted drilling rig and associated rig equipment. One additional day would be required to run a bond log, perforate, and run an electric pump with a small CBM completion rig. The estimated size of a drill site location is 190 feet by 120 feet. Some minor site disturbance may be required to place the drill rig on level ground. A small reserve pit would be constructed at each drill site location to hold drilling fluids and cuttings. The reserve pit would be 12 feet wide by 60 feet long by 10 feet deep. Drilling depths would vary both among and within the pods, with the deeper wells located at the western edge of the proposed pod boundaries (Map 1).

Each well would require a water discharge line and gas line. Water lines would converge where possible at a centralized discharge point to be determined in a water management plan. Gas lines from 10-15 wells would be tied into a small compressor for transmission to a larger centralized compressor. The large compressor would boost the gas line pressure for transmission to the sales line. An average of three small and one large compressor would be required for each pod. Gas volumes would dictate the size of compressors required.

Several wells in each pod would be tested for an estimated maximum of 30 days. If the tests are successful, the remaining wells in each pod may require testing, but the duration of these tests may be decreased to 3 to 7 days. An estimated 6 to 12 months of continuous producing status would be needed to fully evaluate the economics of any additional development.

The proposed project area is currently accessed by existing developed and undeveloped roads. The gas produced within the project area would be transported by an existing pipeline, new pipelines, and new gathering lines. A road network would be developed that would include upgraded roads and two track unimproved trails.

Following drilling and completion, flowlines and gathering facilities would be installed with the required power supply. Water quality would be monitored and surface discharged as per federal, state, and local requirements. If the wells prove to be nonproductive or uneconomical, all disturbed area would be reclaimed to BLM specifications.

RELATIONSHIP TO EXISTING PLANS AND DOCUMENTS

Resource Management Plan - The Great Divide Resource Management Plan (RMP, November 8, 1990) directs management of BLM administered lands within the analysis area. The objective for management of oil and gas resources, as stated in the RMP, is to provide for leasing, exploration, and development of oil and gas while protecting other resource values. The development of coalbed methane within the Atlantic Rim project area is in conformance with the RMP. The environmental analysis that will be prepared on the Stone & Wolf proposal will incorporate appropriate decisions, terms, and conditions of use described in the RMP.

Use Authorizations - Use authorizations (i.e., rights-of -way, permits) for roads, powerlines, pipelines, and well site facilities will be processed through the BLM Application for Permit to Drill (APD) and Sundry Notice permitting process as long as the facilities remain on-lease and are owned and operated by the unit operator. Any facility located off-lease would require individual rights-of-way permits.

Lease Stipulations - Some leases within the proposed area include special stipulations on occupancy. These are in addition to the standard lease terms. These stipulations are designed to protect surface resources such as soils, water, and wildlife by restricting periods of activity and areas of disturbance. Application of these lease stipulations will be handled on a case-by case basis for each APD submitted to the BLM.

IDENTIFIED RESOURCE MANAGEMENT ISSUES, CONCERNS, AND OPPORTUNITIES

The following issues and concerns have been identified by the BLM to-date. It is not meant to be an all-inclusive list, but rather a starting point for public input and a means of identifying the resource disciplines needed to conduct the analysis.

- Potential impacts to wildlife habitats within the analysis area, including big game, sage grouse, and raptors.
- Increased traffic and associated impacts on existing county, state, and BLM roads and highways.
- Social and economic impacts to local communities.
- Impacts to surface and groundwater resources, including sedimentation/salinity to the Colorado River System.
- Potential impacts to sensitive soils within the project area.

- Impacts from emissions resulting from additional drilling and production activities.
- Reclamation of disturbed areas and control of noxious weed invasions.
- Potential conflicts with livestock management operations in the analysis area, including possible impacts to range improvements.
- Potential impacts to cultural and historical values within the analysis area.
- Potential impact to listed, or proposed for listing, threatened and endangered plant and animal species, including potential Colorado River depletion and effects on downstream listed fish species.
- Cumulative effects of drilling and development activities when combined with other ongoing and proposed developments on lands adjacent to the Atlantic Rim project area.
- Potential conflicts between mineral development activities and recreational opportunities.

INTERIM DRILLING ACTIVITIES

While the Atlantic Rim EA is being prepared, the BLM will allow limited development of test wells within the proposed analysis area. A total of 12 wells, 4 per pod, will be authorized to allow for acquisition of data necessary for completion of the Atlantic Rim EA. Interim drilling will be monitored by the BLM to ensure activities do not significantly affect the environment or are prejudicing the completion of the Atlantic Rim EA.

INTERDISCIPLINARY TEAM

Based on the current understanding of issues, concerns, and opportunities and established objectives from other plans, an interdisciplinary team (IDT) made up of the following specialists and skills has been identified:

Air Quality Specialist
Coal Specialist
Geologist
Interdisciplinary Team Leader
Petroleum Engineer
Range Management Specialist
Recreation Planner
Wildlife Biologist

Archeologist
Environmental Scientist (surface protection)
Hydrologist
NEPA Specialist
Public Affairs Specialist
Realty Specialist
Soil Scientist

TIMING NEEDS OR REQUIREMENTS

Public input is important in establishing the level and scope of the analysis. The public is encouraged to participate throughout the environmental analysis process to help in identifying the level of analysis needed, alternatives to the proposed action, other issues or concerns that should be analyzed, mitigative opportunities, and any other comments or ideas to help ensure the completeness of the analysis process.

Your comments are due by April 1, 2000. Please submit your comments to:

Ken Henke, Project Manager BLM - Rawlins Field Office 1300 North Third Street P.0. Box 2407 Rawlins, Wyoming 82301

Email: rawlins_wymail@blm.gov

PUBLIC PARTICIPATION

The following individuals and organizations will receive a copy of this scoping statement:

FEDERAL OFFICES

U.S. Bureau of Land Management

Rock Springs Field Office

U.S. Army of Corps of Engineers
U.S. Bureau of Reclamation

Wyoming State Office U.S. Environmental Protection Agency

U.S. Representative Barbara Cubin

U.S. Fish and Wildlife Service

U.S. Senator Mike Enzi Forest Service

U.S. Senator Craig Thomas

STATE AGENCIES

Governor Jim Geringer Wyoming Game and Fish Department

State Engineer's Office State Representatives

State Senators Wyoming State Planning Coordinator

Wyoming Department of Environmental Quality Wyoming Department of

Transportation

Wyoming Oil and Gas Conservation Commission Wyoming State Historical Preservation

Office

COUNTY GOVERNMENT

Carbon County Commissioners Carbon County Planning Commission

MUNICIPALITIES

Mayor-Baggs Mayor-Wamsutter

Mayor-Rawlins

NATIVE AMERICAN TRIBES

Northern Arapahoe Tribal Council
Ute Mountain Tribe
Shoshone-Arapahoe Joint Tribal Council
Ute Tribal Council
Uinta-Ouray Tribal Council

GRAZING PERMITTEES

Weber Ranch Montgomery Livestock Company

Salisbury Livestock Company

Stratton Sheep Company

Sam Marran

Three Forks Ranch Corporation

Mike Sheehan

H.B. Lee

Sam Morgan

Robert Orchard

Matt Weber

LEASE AND ROW HOLDERS

Stone & Wolf, LLC North Finn, LLC

Merit Energy Company P&M Petroleum Management Benson-Montin-Greer KCS Mountain Resources, Inc.

LANDOWNERS

This scoping notice has been sent to 111 landowners potentially affected by the proposal.

LOCAL MEDIA

Casper Star-Tribune Rock Springs Rocket Miner Gillette News-Record KRAI - Craig, Colorado KRKK - Rock Springs KTWO - Casper

KUWR - University of Wyoming

Rawlins Daily Times

Wyoming State Tribune/Eagle KGWC TV - Casper **KRAL** - Rawlins KSIT - Rock Springs KTWO TV - Casper

Northwest Colorado Daily News

OTHER AGENCIES, INDUSTRY REPRENSENTATIVES, INDIVIDUALS, AND ORGANIZATIONS

Association

Audubon Society Wilderness Society The Nature Conservancy Field Museum of Natural History Department of Geology

Montana Oil Journal Murie Audubon Society Petroleum Association of Wyoming Sierra Club Wyoming Outdoor Council Wyoming Stockgrowers Association Wyoming Woolgrowers Association Ivan Herold Karen Larsen Gene Carrico

National Wildlife Federation Carbon County Stockgrowers Wyoming Association of Professional

Archaeologists

Independent Petroleum

of Mountain States The Nature Conervancy Rocky Mountain Oil & Gas Association Wyoming Farm Bureau Federation Wyoming Public Lands Council Wyoming Wildlife Federation Vern Brodsho

Dolar Oil Properties Ray Weber Barbara Parsons